

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 517 – HB 1749

February 23, 2009

SUMMARY OF BILL: Increases the maximum income for elderly and disabled homeowners to qualify for the tax freeze program from \$24,000 to \$26,500.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$151,800

**Decrease Local Expenditures – Net Impact –
Not Significant/Permissive**

Assumptions:

- According to the Comptroller, the projected income limit for tax year 2010 is \$26,830, because the annual income limit is raised each year according to the Social Security cost of living adjustment. This legislation decreases the amount by \$330 to \$26,500.
- Under current provisions, approximately 88,902 recipients qualify for property tax relief for tax year 2010 with an average payment per recipient of \$190.24, for a total state expenditure of \$16,912,716.
- As a result of this legislation, approximately 88,104 recipients would qualify for property tax relief for tax year 2010 with an average payment per recipient of \$190.24, for a total state expenditure of \$16,760,905.
- State expenditures will decrease \$151,811 (\$16,912,716 - \$16,760,905).
- Some counties and cities also provide property tax relief tied to the state program. These local programs are permissive and it is not possible to estimate accurately how many local governments would expand or curtail their programs, although any decrease in expenditures is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kmc